

Rating Action: Moody's affirms BPCE's and affiliates' A1 long-term deposit and senior unsecured ratings, outlook stable

03 Aug 2021

BCA upgraded to baa1 and Adjusted BCA affirmed at baa1

Paris, August 03, 2021 -- Moody's Investors Service ("Moody's") today affirmed the A1 long-term deposit and senior unsecured debt ratings of BPCE and affiliated member banks and subsidiaries including Natixis, Banque Palatine and Credit Foncier de France, where applicable. The outlook on these ratings remains stable. Moody's upgraded the Baseline Credit Assessment (BCA) of BPCE to baa1 from ba1 and affirmed its Adjusted BCA of baa1. Credit Foncier de France's BCA was also upgraded to baa1 from ba1 and its Adjusted BCA of baa1 was affirmed. On the same day, the rating agency affirmed the ba1 BCA of Banque Palatine, downgraded Natixis' BCA to ba2 from baa3 and affirmed their respective Adjusted BCAs of baa1.

Where applicable, the junior senior unsecured and subordinated debt ratings of BPCE and affiliated members and subsidiaries were affirmed at Baa1 and Baa2 respectively, their non-cumulative preferred stock ratings at Ba1(hyb), their long-term Counterparty Risk Ratings (CRRs) at Aa3, and their long-term Counterparty Risk (CR) Assessments at Aa3(cr). Finally, Moody's affirmed the group's entities' short-term ratings and CR Assessments of Prime-1 and Prime-1(cr), respectively.

A full list of affected ratings is provided towards the end of this press release.

RATINGS RATIONALE

Upgrade of BPCE's BCA and affirmation of its Adjusted BCA

BPCE is the central organization of Groupe BPCE and is entrusted by law to enforce a solidarity mechanism which ensures that all affiliated entities would benefit from capital and liquidity support from other group members in case of need. Given the close operational ties between BPCE and the affiliated members as well as the solidarity mechanism Moody's no longer assesses the creditworthiness of the bank based on its solo accounts but instead on the basis of Groupe BPCE's consolidated accounts. This approach prompted the alignment of the bank's BCA and Adjusted BCA to baa1.

The baa1 BCA reflects the group's moderate risk profile, large diversified franchise and high solvency, partly offset by its modest profitability while liquidity and funding are sound.

Asset quality is supported by the low risk profile of the portfolio of loans extended by the group's domestic retail banking networks representing around 90% of its total loan book. The wholesale lending book held by Natixis, representing around 10% of the Groupe BPCE's total loans, remains a source of volatility owing to its material exposures to highly cyclical sectors such as oil and gas and high single borrower concentrations. The credit and market risks stemming from Natixis' wholesale banking business are material yet remain at levels that can be absorbed by Groupe BPCE recurring profits. The group's cost of risk increased materially in 2020, to a large degree in the form of forward-looking provisions which signal the expected lagging impact of the Covid 19 pandemic-related crisis. Moody's however believes that with the expected gradual return of the economy to more normal conditions, the need to constitute further large forward-looking provisions will recede, which is a trend observed in 2021.

The group's solvency is comfortable as underpinned by its tangible common equity (TCE) ratio of 15.3% at year-end 2020, which Moody's believes is sustainable. Since Natixis' capital previously owned by the minority shareholders were already deducted from the calculation of Groupe BPCE's TCE as of year-end 2020, the recent acquisition of these shares by BPCE will not have any negative impact on the ratio. Furthermore, the group's profit retention will also further increase with the acquisition of the free-floating shares of Natixis as external distributions will be limited to the remuneration of the cooperative shares, which is capped by law to low levels. This ability to retain most of the annual profit will likely provide Groupe BPCE with additional flexibility to shore up its capital base and will make it easier to absorb unexpected losses or adjust to further capital needs prompted by regulatory changes.

With the gradual recovery in the economy, Moody's believes that the group's profit, which was affected in 2020 by the poor performance of market activities and high cost of risk, will rapidly return to the pre-Covid-19 crisis levels, as is already reflected in the results of 2021. Although stable thanks to well-diversified revenues, the group's through-the-cycle profitability nonetheless remains modest, as reflected in an average net income-to-tangible assets ratio of 29 basis points between 2015 and 2020, around 10 basis points below its main domestic peers. Although commensurate with the group's risk profile, margins are structurally low, and the cost base is high relative to its ability to generate revenues. Restructuring measures undertaken, since the creation of the group and the need to carry out investments have remained intense and have weighed on the group's operating costs until 2019.

Despite its structural reliance on confidence-sensitive wholesale funding, the group has been maintaining a sound funding structure with its long-term assets and long-term liabilities broadly in balance. The substantial increase in customer deposits and borrowings from the Targeted Long-Term Refinancing Operations (TLTRO) in 2020 further improved the coverage of long-term assets by long-term liabilities despite the strong growth in the loan book. They also implied further increase in the group's liquidity portfolio.

Upgrade of Credit Foncier de France's BCA and affirmation of its Adjusted BCA

Moody's has been considering Credit Foncier de France as a highly integrated entity with BPCE since the entity's origination activity was transferred to the Banques Populaires and Caisses d'Epargne retail networks in 2019 and its function restricted to providing funding for Groupe BPCE through its covered bond issuing vehicle. The upgrade of Credit Foncier de France's BCA to baa1 and the affirmation of its Adjusted BCA at baa1 therefore follow the actions taken on BPCE's BCA and Adjusted BCA.

Downgrade of Natixis' BCA and affirmation of its Adjusted BCA

The downgrade of Natixis' BCA to ba2 from baa3 was driven by Moody's view that the bank's market activities, single-name concentrations and exposures to a number of cyclical sectors resulted in more volatility than previously anticipated. The decision to scale down its equity derivative business and lending to energy traders as well as the exit from the shale oil sector, which have generated material losses over the past two years, while positive do not fundamentally alter the bank's risk profile in Moody's view. Moody's anticipates that these de-risking measures and the sale of H2O AM, one of the bank's affiliate asset management companies, will also imply lower profitability over the coming quarters compared to the pre-crisis levels. The BCA of ba2 also incorporates the expectation of increased business concentration on wholesale banking activities at Natixis, which will result from the planned transfer of its insurance and payment businesses to BPCE.

The affiliate-backed support Natixis receives from the group through the solidarity mechanism is reflected in the Adjusted BCA of baa1, which is in line with BPCE's BCA.

Affirmation of Banque Palatine's BCA and Adjusted BCA

The affirmation of Banque Palatine's BCA of ba1 reflects the bank's relatively high asset risk, its small capital buffer, its thin albeit stable recurring profitability and sound liquidity position. Despite its private banking activity that provides some diversification, the BCA is constrained by the bank's business model focused on the French medium-sized company sector, which Moody's considers as vulnerable to economic downturns.

Banque Palatine's Adjusted BCA of baa1, in line with the BCA of BPCE, reflects the affiliated-backed support from the group through the solidarity mechanism.

Long-term ratings

The long-term deposit and senior unsecured debt ratings of BPCE and affiliated entities -- where applicable - benefit from very low loss-given-failure under Moody's Advanced Loss Given Failure (LGF) analysis, which translates into a two-notch uplift from their Adjusted BCA. These ratings also incorporate a moderate probability of government support given the systemic scale of the group, resulting in an additional one-notch uplift.

The LGF analysis shows a moderate loss-given-failure for the long-term junior senior unsecured ratings, which are in line with the baa1 BCA.

For subordinated securities, Moody's LGF analysis indicates a high loss given failure, resulting in one notch negative adjustment from the group's Adjusted BCA. Moody's also incorporates additional notching for non-cumulative preference share instruments, reflecting the coupon suspension risk ahead of failure, resulting in a

Ba1(hyb) rating for those instruments, three notches below the group's Adjusted BCA.

The outlooks on the A1 long-term deposit and senior unsecured debt ratings of BPCE and affiliated entities -- where applicable - are stable because Moody's does not expect any significant change in the creditworthiness of Groupe BPCE over the outlook horizon. The group's solid capitalization and business diversification will continue to offset its relatively weak cost efficiency.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

BPCE's BCA could be upgraded as a result of increased profitability at Groupe BPCE while maintaining the current moderate risk profile. Higher-than-expected capital would also be beneficial to the group's creditworthiness. An upgrade of BPCE's BCA would likely result in an upgrade of all group entities' ratings.

Conversely, BPCE's BCA could be downgraded as a result of a sustained erosion of Groupe BPCE's profitability or an increase in its asset risk. A lower BCA of BPCE would likely result in a downgrade of all group entities' ratings.

The CRRs, and the deposit and senior unsecured debt ratings could also be downgraded as a result of a higher-than-expected loss given failure because of an unexpected decrease in senior or subordinated debt outstanding.

Groupe BPCE's affiliated entities' ratings could also be downgraded if Moody's were to assume a weaker probability of group support.

LIST OF AFFECTED RATINGS

Issuer: BPCE

..Upgrade:

...Baseline Credit Assessment, upgraded to baa1 from ba1

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3

...Short-term Counterparty Risk Ratings, affirmed P-1

...Long-term Bank Deposits, affirmed A1, outlook remains Stable

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Adjusted Baseline Credit Assessment, affirmed baa1

...Senior Unsecured Regular Bond/Debenture, affirmed A1, outlook remains Stable

...Backed Senior Unsecured Regular Bond/Debenture, affirmed A1, outlook remains Stable

...Senior Unsecured Shelf, affirmed (P)A1

...Senior Unsecured Medium-Term Note Program, affirmed (P)A1

...Backed Senior Unsecured Medium-Term Note Program, affirmed (P)A1

...Junior Senior Unsecured Regular Bond/Debenture, affirmed Baa1

...Junior Senior Unsecured Shelf, affirmed (P)Baa1

...Junior Senior Unsecured Medium-Term Note Program, affirmed (P)Baa1

...Subordinate Regular Bond/Debenture, affirmed Baa2
...Backed Subordinate Regular Bond/Debenture, affirmed Baa2
...Subordinate Shelf, affirmed (P)Baa2
...Subordinate Medium-Term Note Program, affirmed (P)Baa2
...Commercial Paper, affirmed P-1
...Other Short Term, affirmed (P)P-1
...Backed Other Short Term affirmed (P)P-1

..Outlook Action:

...Outlook remains Stable

Issuer: Banque Populaire Alsace Lorraine Champagne

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3
...Short-term Counterparty Risk Ratings, affirmed P-1
...Long-term Bank Deposits, affirmed A1, outlook remains Stable
...Short-term Bank Deposits, affirmed P-1
...Short-term Deposit Note/CD Program, affirmed P-1
...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)
...Short-term Counterparty Risk Assessment, affirmed P-1(cr)
...Senior Unsecured Medium-Term Note Program, affirmed (P)A1
...Commercial Paper, affirmed P-1

..Outlook Action:

...Outlook remains Stable

Issuer: Banque Populaire Aquitaine Centre Atlantique

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3
...Short-term Counterparty Risk Ratings, affirmed P-1
...Long-term Bank Deposits, affirmed A1, outlook remains Stable
...Short-term Bank Deposits, affirmed P-1
...Long-term Deposit Note/CD Program, affirmed A1
...Long-term Counterparty Risk Assessments, affirmed Aa3(cr)
...Short-term Counterparty Risk Assessments, affirmed P-1(cr)
...Senior Unsecured Medium-Term Note Program, affirmed (P)A1
...Other Short Term, affirmed (P)P-1

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Populaire Bourgogne Franche-Comte

..Affirmations:

....Long-term Counterparty Risk Ratings, affirmed Aa3

....Short-term Counterparty Risk Ratings, affirmed P-1

....Long-term Bank Deposits, affirmed A1, outlook remains Stable

....Short-term Bank Deposits, affirmed P-1

....Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Populaire Grand Ouest

..Affirmations:

....Senior Unsecured Medium-Term Note Program, affirmed (P)A1

....Commercial Paper, affirmed P-1

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Populaire Occitane

..Affirmations:

....Long-term Counterparty Risk Ratings, affirmed Aa3

....Short-term Counterparty Risk Ratings, affirmed P-1

....Long-term Bank Deposits, affirmed A1, outlook remains Stable

....Short-term Bank Deposits, affirmed P-1

....Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Populaire Rives de Paris

..Affirmations:

....Long-term Counterparty Risk Ratings, affirmed Aa3

....Short-term Counterparty Risk Ratings, affirmed P-1

....Long-term Bank Deposits, affirmed A1, outlook remains Stable

....Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1
...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)
...Short-term Counterparty Risk Assessment, affirmed P-1(cr)
...Senior Unsecured Medium-Term Note Program, affirmed (P)A1

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Populaire Val de France

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3
...Short-term Counterparty Risk Ratings, affirmed P-1
...Long-term Bank Deposits, affirmed A1, outlook remains Stable
...Short-term Bank Deposits, affirmed P-1
...Short-term Deposit Note/CD Program, affirmed P-1
...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)
...Short-term Counterparty Risk Assessment, affirmed P-1(cr)
...Senior Unsecured Medium-Term Note Program, affirmed (P)A1

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Populaire du Nord

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3
...Short-term Counterparty Risk Ratings, affirmed P-1
...Long-term Bank Deposits, affirmed A1, outlook remains Stable
...Short-term Bank Deposits, affirmed P-1
...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)
...Short-term Counterparty Risk Assessment, affirmed P-1(cr)
...Senior Unsecured Medium-Term Note Program, affirmed (P)A1
...Commercial Paper, affirmed P-1

..Outlook Action:

....Outlook remains Stable

Issuer: Caisses d'Epargne Participations

..Affirmations:

...Senior Unsecured Regular Bond/Debenture, affirmed A1, outlook remains Stable (assumed by BPCE)

..No Outlook assigned

Issuer: Credit Foncier de France

..Upgrade:

....Baseline Credit Assessment, upgraded to baa1 from ba1

..Affirmations:

....Long-term Counterparty Risk Ratings, affirmed Aa3

....Short-term Counterparty Risk Ratings, affirmed P-1

....Long-term Bank Deposits, affirmed A1, outlook remains Stable

....Short-term Bank Deposits, affirmed P-1

....Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

....Adjusted Baseline Credit Assessment, affirmed baa1

....Senior Unsecured Medium-Term Note Program, affirmed (P)A1

..Outlook Action:

....Outlook remains Stable

Issuer: Entenial

..Affirmations:

....Backed Subordinate Regular Bond/Debenture, affirmed Baa2 (assumed by Credit Foncier de France)

..No Outlook assigned

Issuer: BRED-Banque Populaire

..Affirmations:

....Long-term Counterparty Risk Ratings, affirmed Aa3

....Short-term Counterparty Risk Ratings, affirmed P-1

....Long-term Bank Deposits, affirmed A1, outlook remains Stable

....Short-term Bank Deposits, affirmed P-1

....Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

....Senior Unsecured Medium-Term Note Program, affirmed (P)A1

....Junior Senior Unsecured Medium-Term Note Program, affirmed (P)Baa1

....Subordinate Medium-Term Note Program, affirmed (P)Baa2

....Commercial Paper, affirmed P-1

....Other Short Term, affirmed (P)P-1

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Monetaire et Financiere

..Affirmations:

-Long-term Counterparty Risk Ratings, affirmed Aa3
-Short-term Counterparty Risk Ratings, affirmed P-1
-Long-term Bank Deposits, affirmed A1, outlook remains Stable
-Short-term Bank Deposits, affirmed P-1
-Long-term Counterparty Risk Assessment, affirmed Aa3(cr)
-Short-term Counterparty Risk Assessment, affirmed P-1(cr)

..Outlook Action:

-Outlook remains Stable

Issuer: Banque Populaire Atlantique

..Affirmations:

-Long-term Counterparty Risk Ratings, affirmed Aa3
-Short-term Counterparty Risk Ratings, affirmed P-1
-Long-term Bank Deposits, affirmed A1, outlook remains Stable
-Short-term Bank Deposits, affirmed P-1
-Short-term Deposit Note/CD Program, affirmed P-1
-Long-term Counterparty Risk Assessment, affirmed Aa3(cr)
-Short-term Counterparty Risk Assessment, affirmed P-1(cr)
-Senior Unsecured Medium-Term Note Program, affirmed (P)A1

..Outlook Action:

-Outlook remains Stable

Issuer: Banque Populaire Auvergne Rhone Alpes

..Affirmations:

-Long-term Counterparty Risk Ratings, affirmed Aa3
-Short-term Counterparty Risk Ratings, affirmed P-1
-Long-term Bank Deposits, affirmed A1, outlook remains Stable
-Short-term Bank Deposits, affirmed P-1
-Long-term Counterparty Risk Assessment, affirmed Aa3(cr)
-Short-term Counterparty Risk Assessment, affirmed P-1(cr)
-Long-term Issuer Ratings, affirmed A1, outlook remains Stable
-Short-term Issuer Ratings, affirmed P-1
-Senior Unsecured Medium-Term Note Program, affirmed (P)A1
-Commercial Paper, affirmed P-1

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Populaire de l'Ouest

..Affirmations:

....Long-term Counterparty Risk Ratings, affirmed Aa3

....Short-term Counterparty Risk Ratings, affirmed P-1

....Long-term Bank Deposits, affirmed A1, outlook remains Stable

....Short-term Bank Deposits, affirmed P-1

....Short-term Deposit Note/CD Program, affirmed P-1

....Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

....Senior Unsecured Medium-Term Note Program, affirmed (P)A1

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Populaire de la Cote d'Azur

..Affirmations:

....Long-term Counterparty Risk Ratings, affirmed Aa3

....Short-term Counterparty Risk Ratings, affirmed P-1

....Long-term Bank Deposits, affirmed A1, outlook remains Stable

....Short-term Bank Deposits, affirmed P-1

....Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Populaire du Massif Central

..Affirmations:

....Long-term Counterparty Risk Ratings, affirmed Aa3

....Short-term Counterparty Risk Ratings, affirmed P-1

....Long-term Bank Deposits, affirmed A1, outlook remains Stable

....Short-term Bank Deposits, affirmed P-1

....Short-term Deposit Note/CD Program, affirmed P-1

....Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

....Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Senior Unsecured Medium-Term Note Program, affirmed (P)A1

..Outlook Action:

....Outlook remains Stable

Issuer: CASDEN - Banque Populaire

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3

...Short-term Counterparty Risk Ratings, affirmed P-1

...Long-term Bank Deposits, affirmed A1, outlook remains Stable

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Senior Unsecured Medium-Term Note Program, affirmed (P)A1

..Outlook Action:

....Outlook remains Stable

Issuer: Credit Cooperatif

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3

...Short-term Counterparty Risk Ratings, affirmed P-1

...Long-term Bank Deposits, affirmed A1, outlook remains Stable

...Short-term Bank Deposits, affirmed P-1

...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Senior Unsecured Medium-Term Note Program, affirmed (P)A1

...Commercial Paper, affirmed P-1

..Outlook Action:

....Outlook remains Stable

Issuer: Banque Edel SNC

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3

...Short-term Counterparty Risk Ratings, affirmed P-1

...Backed Long-term Bank Deposits, affirmed A1, outlook remains Stable

...Backed Short-term Bank Deposits, affirmed P-1

...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

..Outlook Action:

...Outlook remains Stable

Issuer: BPCE Factor

..Affirmations:

...Backed Short-term Deposit Note/CD Program, affirmed P-1

...Backed Commercial Paper, affirmed P-1

..No Outlook assigned

Issuer: BPCE Lease

..Affirmations:

...Backed Short-term Deposit Note/CD Program, affirmed P-1

...Backed Commercial Paper, affirmed P-1

..No Outlook assigned

Issuer: BPCE Lease Immo

..Affirmations:

...Backed Short-term Deposit Note/CD Program, affirmed P-1

...Backed Commercial Paper, affirmed P-1

..No Outlook assigned

Issuer: BPCE Bail

..Affirmations:

...Backed Short-term Deposit Note/CD Program, affirmed P-1

...Backed Commercial Paper, affirmed P-1

..No Outlook assigned

Issuer: Cicobail

..Affirmations:

...Backed Short-term Deposit Note/CD Program, affirmed P-1

...Backed Commercial Paper, affirmed P-1

..No Outlook assigned

Issuer: Banque Palatine

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3

...Short-term Counterparty Risk Ratings, affirmed P-1

...Long-term Bank Deposits, affirmed A1, outlook remains Stable

...Short-term Bank Deposits, affirmed P-1

...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Baseline Credit Assessment, affirmed ba1

...Adjusted Baseline Credit Assessment, affirmed baa1

..Outlook Action:

...Outlook remains Stable

Issuer: Natixis

..Downgrade:

...Baseline Credit Assessment, downgraded to ba2 from baa3

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3

...Short-term Counterparty Risk Ratings, affirmed P-1

...Long-term Bank Deposits, affirmed A1, outlook remains Stable

...Short-term Bank Deposits, affirmed P-1

...Short-term Deposit Note/CD Program, affirmed P-1

...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Long-term Issuer Rating, affirmed A1, outlook remains Stable

...Adjusted Baseline Credit Assessment, affirmed baa1

...Senior Unsecured Regular Bond/Debenture, affirmed A1, outlook remains Stable

...Senior Unsecured Medium-Term Note Program, affirmed (P)A1

...Backed Senior Unsecured Medium-Term Note Program, affirmed (P)A1

...Subordinate Regular Bond/Debenture, affirmed Baa2

...Subordinate Medium-Term Note Program, affirmed (P)Baa2

...Preferred Stock Non-cumulative, affirmed Ba1(hyb)

...Commercial Paper, affirmed P-1

...Other Short Term, affirmed (P)P-1

...Backed Other Short Term, affirmed (P)P-1

..Outlook Action:

...Outlook remains Stable

Issuer: CDC Ixis

..Affirmations:

...Subordinate Regular Bond/Debenture, affirmed Baa2 (assumed by Natixis)

..No Outlook assigned

Issuer: IXIS Corporate & Investment Bank

..Affirmations:

...Backed Senior Unsecured Regular Bond/Debenture, affirmed A1, outlook remains Stable (assumed by Natixis)

...Backed Senior Unsecured Medium-Term Note Program, affirmed (P)A1

...Backed Subordinate Medium-Term Note Program, affirmed (P)Baa2

..No Outlook assigned

Issuer: NATIXIS Structured Products Limited

..Affirmations:

...Backed Senior Unsecured Regular Bond/Debenture, affirmed A1, outlook remains Stable

...Backed Senior Unsecured Medium-Term Note Program, affirmed (P)A1

...Backed Other Short Term, affirmed (P)P-1

..Outlook Action:

...Outlook remains Stable

Issuer: Natixis Funding Corp.

..Affirmations:

...Backed Long-term Issuer Ratings, affirmed A1, outlook remains Stable

...Backed Short-term Issuer Rating, affirmed P-1

..Outlook Action:

...Outlook remains Stable

Issuer: NBP Preferred Capital I, L.L.C.

..Affirmation:

...Preferred Stock Non-cumulative, affirmed Ba1(hyb)

..No Outlook assigned

Issuer: NBP Preferred Capital III, L.L.C.

..Affirmation:

...Backed Preferred Stock Non-cumulative, affirmed Ba1(hyb)

..No Outlook assigned

Issuer: Natixis Securities Americas LLC

..Affirmations:

...Backed Long-term Issuer Ratings, affirmed A1, outlook remains Stable

...Backed Short-term Issuer Ratings, affirmed P-1

..Outlook Action:

...Outlook remains Stable

Issuer: Natixis Loan Funding-Comp BPCE

..Affirmation:

...Backed Senior Unsecured Medium-Term Note Program, affirmed (P)A1

..Outlook Action:

...Outlook remains Stable

Issuer: Natixis U.S. Finance Company, LLC

..Affirmation:

...Backed Commercial Paper, affirmed P-1

..No Outlook assigned

Issuer: Natixis US Medium-Term Note Program LLC

..Affirmations:

...Backed Senior Unsecured Regular Bond/Debenture, affirmed A1, outlook remains Stable

...Backed Senior Unsecured Medium-Term Note Program, affirmed (P)A1

...Backed Other Short Term, affirmed (P)P-1

..Outlook Action:

...Outlook remains Stable

Issuer: Natixis, New York Branch

..Affirmations:

...Long-term Counterparty Risk Ratings, affirmed Aa3

...Short-term Counterparty Risk Ratings, affirmed P-1

...Long-term Counterparty Risk Assessment, affirmed Aa3(cr)

...Short-term Counterparty Risk Assessment, affirmed P-1(cr)

...Senior Unsecured Medium-Term Note Program, affirmed (P)A1

...Commercial Paper, affirmed P-1

..Outlook Action:

...Outlook remains Stable

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks Methodology published in July 2021 and available at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_1269625 . Alternatively, please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: <https://www.moody.com/researchdocumentcontentpage.aspx?>

[docid=PBC_79004](#).

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

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